# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

STARRED QUESTION NO:265
ANSWERED ON:09.12.2002
METHODOLOGICAL ISSUES OF M.S.P.
ADHIR RANJAN CHOWDHURY;PRABHA RAU

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether a national seminar on `Methodological issues` in the fixation of Minimum Support Price (MSP) was held at New Delhi recently;

(b) if so, the details of experts participated in the seminar and outcome of the discussions held in the seminar;

(c) whether the existing methodology for fixing the MSP has been criticized by the experts;

(d) if so, the details thereof and reaction of the Government thereto; and

(e) the recommendations accepted by the Government and the extent to which these recommendations would be helpful in finalizing the long term policy on fixation of foodgrain prices?

## Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.265 DUE FOR REPLY ON 9TH DECEMBER, 2002.

(a)&(b): Yes, Sir. A National Seminar on `Methodololgical issues in fixation of Minimum Support Prices (MSP)` was held on November 6 and 7, 2002 at New Delhi. Participants of the National Seminar included Hon`ble Members of Parliament, officials from the Central and State Governments, academicians, farmers and farmer`s associations. The list of Participants is given in Annexure I. The discussions in the Seminar covered:
(i) Criteria for Determination of Minimum Support Prices;
(ii) Rationale for Using Existing Cost Concepts in Determining MSP;
(iii) Quality of Data on Cost of Cultivation and
(iv) Crop Specific Problems of Farmers in different Regions.

(c) to (e): The Seminar provided a platform for a free and frank exchange of views on different facets of price policy for agricultural commodities. The participants underlined the need to give appropriate signals through agricultural policy for sustainable use of land, water and other natural resources. Emphasis has also been laid on the need to bring about improvement in both the quality of data on costs of cultivation and the methods followed in imputing the value of (a) family labour (b) rental value of land and (c) interest on capital. The main conclusions of the Seminar are given in Annexure II. The suggestions made by the participants have been noted. These would be helpful to the Government in policy formulation and decisions pertaining to agricultural costs and prices. The conclusions/suggestions that emerged from the seminar would also be of considerable value to the Commission for Agricultural Costs and Prices while recommending the minimum support prices of foodgrains and other agricultural commodities.